

# How To Grow (In A Recession)





Small Business Britain is the UK's leading champion of small businesses, supporting all 5.5 million small businesses in the UK – no matter their background or circumstances, their location, their sector or their ambition. Through a series of reports, events and campaigns, Small Business Britain champions, inspires and accelerates small businesses in the UK to foster growth and increased confidence.

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# Foreword

Looking back over the last six years of working on these reports with TSB, each year we have looked forwards with optimism, learnt the lessons of the previous years, and remained positive for what comes next.

What has become clear to me over this time is that there is really no way of planning for the long term right now; each time we think a crisis is over, another has arrived. But rather than that knocking us off course, I believe we need to chart a way forward that does not see each set back as a crisis. We need to develop a way of doing business that can survive, and thrive, in economic and social instability.

Much has been made over the years about how small businesses do not like instability. With few resources and often little formal business training, it is hugely challenging for small businesses to remain on top of every change in the world and to have a strategy for every scenario.



**Michelle Ovens CBE**  
Founder, Small Business Britain

However, this ignores the key strength of a small business: the agility that comes without the big business baggage. Small businesses have less weighty infrastructure to change when the world changes around them; they have less layers of bureaucracy to navigate to make decisions; and they have less institutional ties to previous decision making. In fact, small businesses are ideally situated to weather a financial crisis, with the right mindset and approach in place to do so.

As we head into what is likely to be a lengthy recession, it will be critically important for small businesses to not get stuck in a single way of doing business, and not to rely on a single strategy for success. Adapting, changing, listening and learning will all be core skills in order to succeed. And success is absolutely both possible and predictable in this economy. Despite the technical recession, the economy is only shrinking a very small amount, meaning there is still a huge amount of spend and trade going on across the UK.

It is easy to become disheartened by the rhetoric around a downturn, but if businesses can turn away from that and instead run their own "race", they will likely find there are still big pots of opportunity to be had. And that is great news for them, for their staff and for their communities. It is important to remember that what we are talking about when we talk about small businesses is the very heart and soul of the nation: local community supply chains; support systems for families and the vulnerable; small innovations that incrementally improve lives every day in all regions.

Businesses are not inevitably going to fail because of the economic challenges we face, and we hope that with this report as a starting point we can find ways forward for all businesses to find growth. Certainly, we have a better chance of doing this by working together, and that spirit of community sits at the heart of Small Business Britain. Let's see what we can do.



There's no getting away from the fact that the last few years have been tough for many small businesses; we've heard the constant use of the phrase 'once in a generation' to describe the dotcom bust, the global financial crash, the Covid pandemic, and now the cost-of-living crisis. It's enough to force me finally to accept that change truly is the only constant. The next 12 months will bring further challenges as costs continue to make an impact, and a potential economic downturn is forecast. Despite this, I believe there are many reasons to face the future with optimism.

It is very often small businesses that lead the way out of a recession, and there are good reasons for that. Small businesses tend to have closer relationships with their customers and partly because of that, they are often better placed to anticipate and adapt to changing needs in the economy. It is clear from the experience of the last few years, that challenges can very often be accompanied by fresh opportunities.

Through our experience in serving customers and working with Small Business Britain, key themes for SMEs in 2023 have become clear:



### 1. As always, cash flow is king

When margins are squeezed, cash flow becomes more important than ever. This became very clear during the pandemic so established businesses have very recent experience to draw on. Newer starters shouldn't wait to find out the hard way – there are offers out there that can help, such as TSB's 30 months' free day-to-day banking, and our partnership with Square which includes a package of fee-free payments.

The key to maintaining healthy cash flow is getting paid on time. At TSB, we know how important this is to small businesses – that's why we have a commitment to pay all our smaller suppliers within ten days, and in 2022 we paid our small and medium-sized suppliers in an average of just four days from invoice.

It's also why we've partnered with BankiFi to create our Revenu app, that can help generate and send invoices quickly and easily using WhatsApp, text or email. And if customers do need chasing, it can send reminders too.

Best of all, it's quick and easy to set up [[www.tsb.co.uk/business/payment-services/revenu](http://www.tsb.co.uk/business/payment-services/revenu)] – it can all be done in two or three minutes – and will save you hours of your time on an ongoing basis.

### 2. Agility / nimbleness is an advantage to drive home

Larger businesses may have greater resources, but they can sometimes be slower to mobilise, while a more agile small business can move quickly to fill gaps and meet new demand. But that won't happen automatically – and as Tom Williamson suggests in this report, it will entail actively seeking out new opportunities.

As Kerensa Jennings points out, it pays to invest in yourself – both for your own wellbeing and the long-term health of your business. So, make sure you are taking time regularly to step back from day-to-day business and reflect. To be really creative, and rethink how you're doing things, you often need some distance from the problem – and some rest! Even if you think you can't afford the time, it will repay you in spades if it helps you to see things more clearly and develop a plan that will keep the business on track.

It can also help to get support from others – nobody can be an expert in everything and when you're caught in the weeds of running the business, the emotional investment you have in the business may make it more difficult to be objective. Seek opportunities to bounce ideas off someone you trust and respect – a close friend, a wise neighbour, other businesses in your network. They may have valuable insights and fresh perspectives – and they may even be flattered that you've come to them for advice.

Wider networks can also be a valuable source of moral support. That won't pay the bills but sometimes when you've had a tough week or month, it's good just to be able to share experiences with others who've been there, done that.

Above all, it's vital to start with how all this is affecting customers. Understanding their needs is the first step in working out how your business needs to adapt and change. Anthony Impey's advice to focus on the problems your business is facing, is sound. While the wider economic picture matters, it won't impact everyone equally, and you need to think about meeting your customers' needs and where your next orders are coming from.

### 3. Take the time to invest in adopting new tech

Technology continues to advance at a staggering pace and businesses of any size need to think about how they can leverage that progress to streamline how they deliver their service. There is now a wide range of tools that businesses can draw on to cut down the time they spend on routine admin – including the Revenu app I've mentioned earlier. But it doesn't stop there.

Towards the end of 2022, a new 'super chatbot' called ChatGPT was released that generates a text response to almost any query you think of. I find it truly mind-blowing what it can do: you can ask it to write a story, a song, a summary, a viewpoint. It's truly incredible. Don't believe me? Head over to [chat.openai.com](http://chat.openai.com) and ask "how can small businesses grow in a recession?". Of course, it's no substitute for the words of wisdom you'll find from the contributors to this report – but it's impressive nonetheless.

For something so deep and complex, it's also very accessible and easy to use. Indeed, that's the case with so much of the tech out there to support small businesses – be it accounting software, sales tools or ecommerce sites. They are designed to be super-easy to pick up – so it really does pay to take a bit of time to master them and put them to work for your business.

I want to finish by thanking Small Business Britain for the opportunity to contribute to this report. At TSB, we believe in small businesses and it's great to work with Michelle and her team, who share that belief and are vocal in promoting the cause of small businesses.

**Adeel Hyder**  
TSB Bank Plc



# Executive Summary

The starting point for this report, talking about growth for small business, has to be the major economic elephant in the room: recession. When asked about their key concerns for the future, by a long, long way, small businesses stated UK recession. Over 81% of businesses have this high on their minds, and it is a key factor in reducing confidence, downgrading growth plans, and decreasing optimism about what lies ahead.

What is clear from speaking to small businesses for this report is that recession does not have to mean the end for small businesses. The economy remains broadly the same size, with small business growth potential still to be had. There is clearly a need, however, to overcome the notional barrier of recession to small business planning and expectations. Businesses have shared that their concerns about the economy have deterred them from investing, have held them back from innovating, and have made them reticent to hire.

Where there are real hurdles to overcome, such as rising costs, difficulties finding staff or reduced consumer spend, we can focus on practical solutions to support small business planning. With the recession, there is a need to help small businesses face the barrage of news and pessimism with a renewed optimism and tools to help them focus on the business and future success. This change in mindset will open up the opportunities to address the real issues and open up new ideas that we can't even imagine yet.

Focusing on the real challenges, there is for sure a significant financial one. Over half of small businesses (52%) state that they are experiencing challenges, but pressing on anyway. That is a lot of pressure for a sector, even without the 9% of businesses that are experiencing significant challenges. What is clear is that, similarly to during the pandemic, businesses need a model for operating that can survive and thrive during turbulent times.

Waiting for the ideal market conditions is broadly futile in a world that keeps changing as we have seen over the last three years. There needs to be a new way of doing business that steps away from that traditional reliance on stability (that has shown up in every piece of research we have done) to being comfortable with instability and change. It is a model that is flexible and approaches challenges as opportunities not burdens.

52%

of small businesses are experiencing difficulty but pressing on

50%

of small businesses have added on new revenue streams

29%

of small businesses have reduced operational spend

# Magic & innovation

Easy to say. In reality, it can be hugely stressful and draining for a small business to continue to change constantly. A big feedback from small businesses post pandemic is a fatigue, an exhaustion from constantly having to adapt. However, those businesses that have accepted that adapting is now part of their way of life are reporting a more positive sentiment about the future. Whilst 29% of businesses have reduced operational spend to respond to difficult conditions, nearly 50% have added on new revenue streams. The focus on trying something new has brought opportunity and sometimes surprising new strategies.

This openness to something new reached a real peak during the pandemic, with businesses accepting that to survive in an unfamiliar world there was a need to innovate, even if just at a firm level. Giving something new a try, and being relatively comfortable with failing at it, is a key skill required to find that "thing" that will create the magic growth and potential in the business. The challenge came at the notional "end" of the pandemic, when restrictions went and the old "normal" returned – many small businesses went back to old ways of working.

What we need to engage with, and fast, is that these old ways of working were not necessarily better. In fact, being adaptable, and adapting fast, is a better way of doing business in both stable and unstable economic conditions. And small businesses are ideally set up to do this.

Entrepreneurs are and always have been adaptable. It is their greatest strength and how small businesses have got a foothold in markets dominated by big businesses since trading began. When we are facing such unpredictable times, and we are looking for solutions to major challenges such as climate change, energy sourcing, and even making businesses work on reduced margins and trickier trading conditions, small businesses have a definite edge. Making the most of that edge can mean that the little businesses can take share from the big businesses, which becomes important when the overall economy is not growing.

How to find opportunities in a market that is not growing is the big challenge, and small businesses are absolutely up to it. Focusing on new routes to market is a key opportunity for small businesses who can shift rapidly and respond to even informal customer feedback. Businesses have experienced success with both budget ranges and high end ranges, targeting all areas of spend for both consumers and business customers.

Adapting products and services for changing customer dynamics can bring big rewards as bigger competitors are slower to change due to entrenched supply chains or long sign off processes. Technology platforms now allow small businesses to get fast and in depth feedback from customers in real time to allow for changes to products and services, for those businesses who are open to shifting with the markets.

This is not just about reducing prices and focusing on less spend. Evidence suggests there is still a lot of spend at the top end of the market. Many big businesses are thriving and are keen to include small businesses in their supply chain; many affluent individuals are still spending and looking to make that spend count at the top end. Constantly engaging with and listening to your customers will give you a sense for this, and a sense for where there may be new pockets of spend you can go after.

# Giving things a go can be illuminating and empowering



One such opportunity, despite the challenges of Brexit (and 22% of businesses say Brexit has impacted their business negatively) there is still huge opportunity for small businesses in export. When the home market is broadly flat (not forgetting the above opportunities of course) looking at new markets has to be an option for growth. Small businesses that export report considerably more confidence and growth than those that do not, and particularly outstripping those that have stopped exporting due to the complexity and additional costs of export since the Brexit rules changed. There is certainly scope here for policy makers to reduce these complexities, but in the meantime, searching out ways to engage with overseas markets (without expensive travel) can bring considerable opportunities to businesses.

Services businesses can absolutely tap into this trend, such as Louise Brogan, a Belfast-based LinkedIn trainer who finds most of her customers now come from the United States. Product businesses can absolutely promote to overseas customers through social media and targeted promotions. Platforms such as eBay offer huge overseas potential as well with many businesses finding they accidentally get into export this way.

Even if you look at your business and think that it cannot export – maybe it is an events business in the UK, maybe it is a high street café or shop – with a growth mindset, there are opportunities available. If you can convert your services online, this can open up opportunities. If you can add on a product business to a service business, this can open up opportunities too. Are there things you need to deliver your service, such as tools, guides, accessories, or more that you can productise and package up for other markets? Thousands of small businesses have done this over the last three years and many are now finding they are a multi-function business as a result with many more options for growth to explore.

Even just small changes to the business can open up some of this potential. Exploring technology and digital skills remains a huge opportunity not yet fully exploited by small businesses. Whilst 48% of entrepreneurs have increased their or their staff's digital skills in the last year, 52% have not! As digital functionality continues to change and grow, keeping up with that and making the most of opportunities that come up has to be a priority for all small businesses. Only 32% of businesses have added on new technology in the last year, meaning many have this opportunity still to explore.

Giving things a go – even if it is small to begin – can be illuminating and empowering. Small automations can free up time; new data can shine a light on new opportunities; and new ways of working with technology might open up whole new markets.

## Sustainability

80%

see sustainability as important

31%

have invested in sustainability

65%

state their customers value sustainability in their spending

The biggest change however to many businesses has been and will be the approach to sustainability, and again this is an area that small businesses can take a lead in. 80% of small businesses see sustainability as important and 34% have increased their focus on sustainability. 31% have invested in sustainability and 65% state that their customers value sustainability in their spending. What is clear is that there is a demand for sustainability, it is going to drive spend decisions going forward, and small businesses are already doing a huge amount in this space.

Where they tend to miss out, however, is articulating this to the customer to maximise the opportunity to engage. Customers increasingly buy from and trade with businesses that share their values. Finding any way possible to articulate these values should be a top priority for small businesses. Marketing, product and services information, branding and even accreditations all allow small businesses to share their passion for climate change, and grow their reach and impact.

Building confidence to move forward is not just about new things, it is also about having a solid base to build from. Managing cashflow has never been more important, and sadly it remains a key issue for many small businesses, and a major source of business failure when for external reasons, cash simply is not available. Small Business Britain has been working with TSB and Revenu by Bankifi on getting paid well and to help businesses manage this as best possible. There remains a lot that businesses can do to put themselves in a better position to manage cash, from automating processes, having better conversations with customers and planning to avoid disaster. This not only helps with the cash situation, but can give small businesses the confidence and reassurance that they need during a stressful time. We know that small businesses do better when they are not under stress, so reducing that stress has to be a priority.



It may seem a small thing to focus on mental health as a means to growth, but evidence suggests it is one of the most important tools in the small business box. Trying to solve problems when you are under stress is less effective and can lead to bad decisions. Indeed problems seem much larger when in duress, and in many occasions can be reduced with a change in mindset. Small businesses report considerable, and life-changing, impacts of directly addressing their mental state during the pandemic to help their business succeed.

Taking time out may feel like the wrong thing to do when the work and difficulties are piling up, but giving yourself space to think can lead to better decisions and better ideas to solve problems. Going for a walk, exercise, focusing on something outside yourself and the business can all lead, surprisingly, to business breakthroughs.

The role of community and support in this space has also never been more important. Connecting with others can take you out of your current situation, give you the break you need, and likely other small businesses can help in solving your challenges. Communities were at the heart of small business success during the pandemic and the need is just as great in 2023 and going forwards.

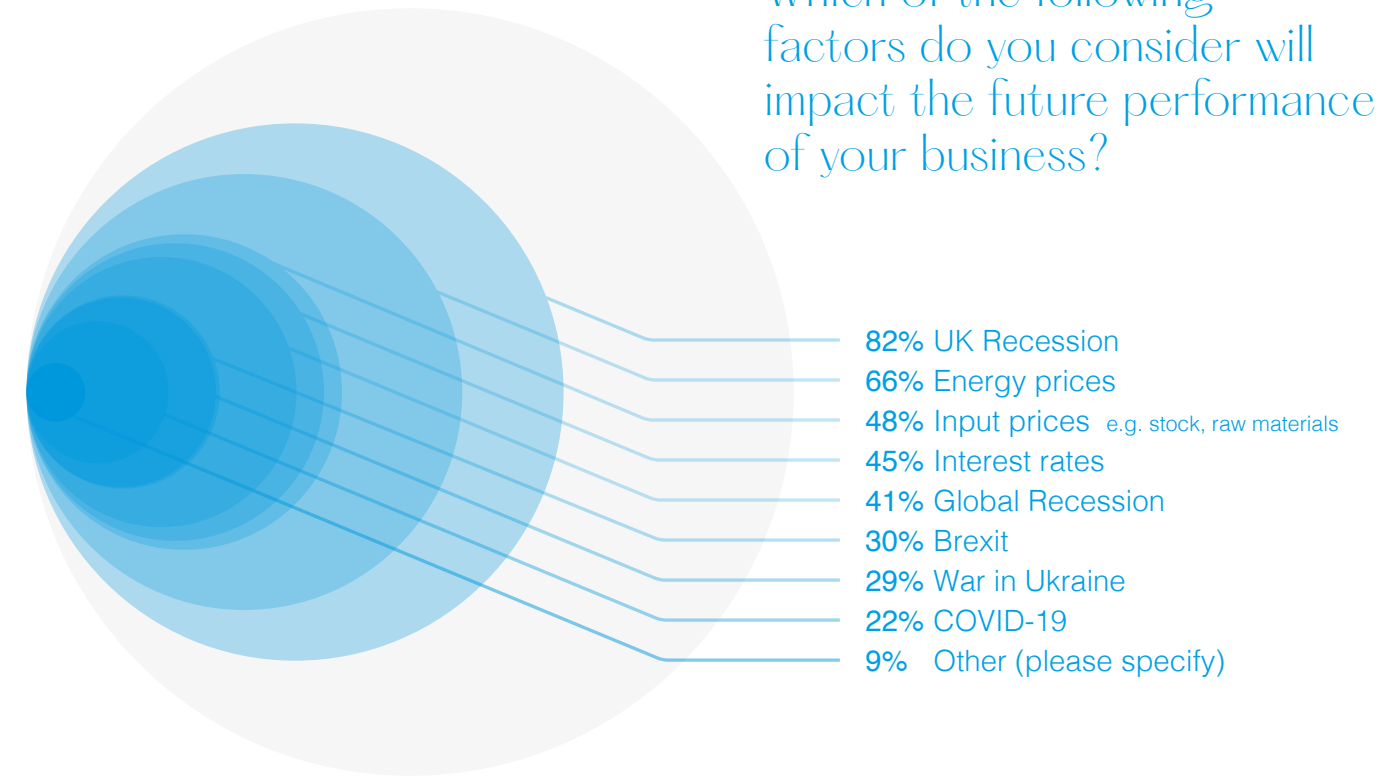
The solution to grow will not be the same for every business, but the core principles will likely be common: focus on the real challenges; focus on building the tools that give you confidence and optimism; adapt and adapt again and get comfortable adapting for the long term; and make the time to step away and connect with whatever gives you the energy and inspiration to move forward.

There is much we can all do to help ourselves and others and build a collaborative business community that builds resilience and optimism for the coming months and years. Small Business Britain and TSB will continue to work towards that and bring help and support to small businesses on the journey. Please do use this report to inspire your approach to growth and share with other businesses around you. Together we can absolutely grow in 2023.



# Overcoming the Fear of Recession

Which of the following factors do you consider will impact the future performance of your business?



Recession is looming – and it brings with it a spectre that is larger than life – and larger than many small businesses can handle.

Once the word recession starts to be used, businesses, and individuals, start to see the world differently. It brings with it memories of recessions past, lost businesses and jobs, struggle, risk and the end of the line. None of this, however, is real.

A recession is not a “thing” in and of itself – it is declared after the fact, once data is available and after we have been in a recession for two quarters. It is not a bill that cannot be paid, a cancelled sale or a member of staff lost. It is a statistic, and not a particularly helpful one.

The word brings such a negative impact to a business, more so even than the fundamentals of the economy. It impacts hope for the future, it impacts plans that can be made with confidence, and it impacts willingness to invest across the supply chain as nervousness hits spending plans and the brakes start to be applied. These things create real problems in a business, as opportunities are lost, the business becomes less agile and growth stagnates.

This research shows over 80% of businesses see a UK recession as their biggest concern, which means these impacts are likely to become a serious problem – and an avoidable one. There is an urgent need to change the conversation around recession and the economy to avoid exacerbating real problems due to the expectation of things that may not come to pass.

Businesses that have weathered previous recessions, and that have learnt to navigate a crisis over the pandemic, Brexit and more, share that the critical thing to overcome this fear of recession is to focus on the reality of the business. Focusing on your own sector, your customers’ feedback and early indicators in the business that things may be getting difficult are much better uses of your time and energy than a recession that may or may not have a broader impact on you.

Tackling those challenges rather than the perceived challenges of a recession can bring a confidence, and a reassurance, that focusing on external factors can diminish.

Collectively projecting that confidence and stability to customers and suppliers is a key part of continuing to grow during a technical recession. Giving others the confidence to stick with you, to continue to trade and grow, will help to support you on a strong path too.

Like positive people, positive businesses have their own gravitational pull. If a business is nervous about the longevity of your business, they are less likely to take a risk on trading with you. If a business feels like you are optimistic about the future, they are more likely to be inspired to work with you. This is reported by small businesses again and again.

Where there are genuine challenges to address, businesses absolutely should focus on these and there is much in this report to help with challenges across the business. But when the challenge is the notion of recession, it is time to put it to one side and focus on a more positive plan for 2023: Growth.

“In the past quarter we’ve spoken to hundreds of companies across the UK, and everyone is exhausted. Business leaders have a huge amount of emotional investment in their company’s success, and this can take a toll.

At times like this, people are making immensely difficult decisions about their employees, relationships with longstanding customers, and in some cases the prospect of closing a business. This brings with it a huge sense of loss, which can really weigh on you.

So the question is, how do we change the conversation? In times of massive change, there is always opportunity. But growth can feel like a very distant concept. What businesses I speak with really want more of, is time back. If we have a nation of exhausted business leaders, the most important thing to give them is the ability to create space to make decisions.

Forming connections with other business leaders who are weathering the storm can help, as can seeing what businesses in similar positions have done. These activities make a real difference by releasing the latent potential across all types of small business.”



**Anthony Impey MBE**  
Chief Executive, Be The Business



“I think the recession is a blip. I’ve seen them happen and we’ve lived through them before. The three day week that we experienced before we survived. There is an element of ‘been there, done that’. I think if we can survive this then we will be in a much better place than those just starting out.”

**Jude Terry**  
Lauren's Cows

## Actions to Grow



1

**Focus energy on the real challenges of the business not on the notional idea of recession – it is not necessarily bad news.**

2

**Look for early indicators of problems in the business, e.g. is the pipeline for new business slowing down, are customers spending less per transaction?**

3

**Work with suppliers to project optimism to customers**

4

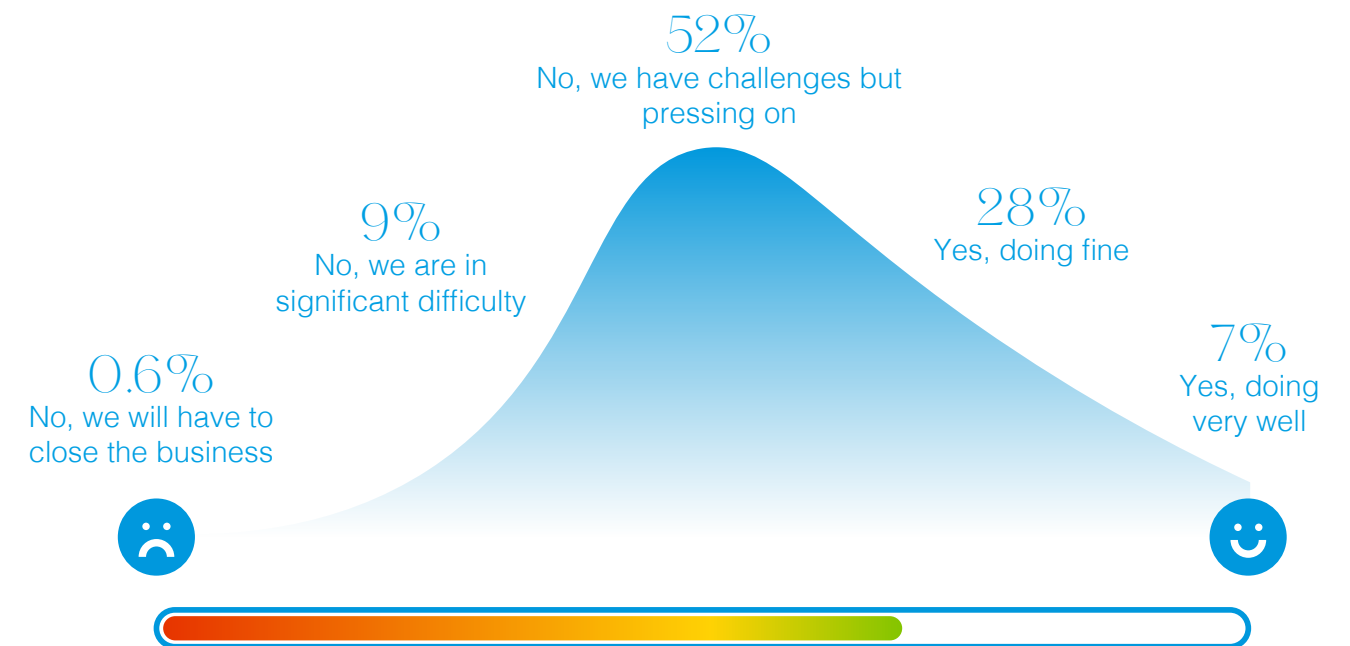
**Build a positive plan for 2023**

# 2

# Managing for Financial Instability

## Resilience In A Crisis

Is your business feeling financially stable at the current time?



However we decide to talk about and address recession, there is no doubt a considerable amount of financial instability in the world and there will likely continue to be, and more, over the next two years. There has not been a “stable” landscape since pre-2016, pre-Brexit vote, which started a period of unknowns for business, a situation that many businesses will tell you is not their ideal state. This was followed by the pandemic and global crisis, and a period of instability that has just not ended.

However, even with the huge upset of the pandemic, the cost-of-living crisis is hitting harder still for many businesses. The lack of visibility on energy prices, the fear of continued and unpredictable interest rate rises and the complexity and variation of supply chain (input) prices, small businesses are constantly feeling the earth move under them, with an increasing sense of powerlessness in the face of these forces.

The sense of an end in sight that pervaded the pandemic is now gone with years of instability now anticipated. This poses the question: can we really wait for a stable financial backdrop to make a plan?





“The super-strength that comes from being a small business is agility. Smaller businesses can pivot much quicker than larger businesses when faced with challenges or opportunities. The only way to get through a two year recession is by continuously adapting. There is no less trade happening however the type and nature of the trading will evolve, so if businesses can move to put themselves in the way of the customer, they can succeed. Look at pricing for example – Aldi grows when Waitrose declines – there is still money being spent, just in a different place and value proposition.

In order to support this change, businesses need to revert back to basic principles of community: use networks, trade with each other, celebrate each other. When times are good there is less of this activity, but it is the thing that can support you when times are bad. The only sustainable way out of a crisis is to trade yourself out of it, so engage with this challenge sooner rather than later. Great community activities that can help include collective purchase power, collective trading and collective ways to support each other. It should also include a more transparent conversation around businesses in difficulty, and what they have done to turn things around. If we can all start to step in when we see a business in difficulty, imagine the collective impact that could have. Create an effective optimism bank – when you are doing well, help out others and they will then pay it back when you are in a crisis too. There will be more crises, for sure, but working together businesses can get through it and thrive.”

**Dr Tom Williamson**

Assistant Principal, Anglia Ruskin University, Peterborough

More than half of businesses are now saying they are facing financial difficulties, but are pressing on regardless. This is a concerning statistic and suggests that no, we cannot wait for stability to create a plan. We need an approach to business that allows founders to continue and thrive in a difficult and changing world. Businesses need a plan of action that can allow them to operate in the classically small business unfriendly environment of uncertainty.

Business model innovation, though sounding a bit academic in nature, sits at the heart of this. It may be new to firm innovation, or a fundamental rethink of how we think businesses should plan and operate, but it is a change to the idea that a business can set up and reach a steady state operating model. When the world refuses to reach a steady state, businesses must adapt accordingly.

The need to adapt and be agile – much like during the peak of the pandemic – is once again critical for businesses to keep going profitably. In fact, rather than see this as a way of running a business in a crisis, we need to start seeing this as the way to run businesses generally. We will likely see more crises in the future, and we cannot predict what the next few years will bring. If we can learn the lessons of COVID and apply that outside the crisis of a pandemic, we can create more adaptable, and more resilient, businesses for the long term.

The first stage of that agility needs to be a more relaxed approach to failure. We saw this in the first wave of COVID start to become a trend, when businesses felt they had nothing to lose so gave everything a go. If it did not work, they moved onto the next thing, and hence an agile approach to risk taking, and trying new things, was adopted. This was a really impactful strategy and stimulated huge amounts of firm-level innovation and meant that businesses adopted technology at a much faster pace than they had ever done before.

Many businesses reported a transformation in their digital approach during the pandemic, seeing decades of change in six months, driven by necessity and a different appetite for risk. When the alternative is total collapse, more options become potential opportunities.

However, the return to a more conservative approach to business that has prevailed since the decline of Omicron is the wrong direction for businesses to go in. Many businesses report either in themselves or their network a sense of returning to pre-pandemic business practices, and in many cases this is not a good thing. Keeping that agility, openness, curiosity and ability to move on will help businesses succeed even in a really difficult economy.

In practice, this can mean:

- **Failing fast**

Giving things a go, managing the level of risk taken on and being relaxed about failure. Data to determine success and failure is critical and the increased access to performance data in technology platforms is enabling this more and more. If it worked, great. If it didn't, move on and do not beat yourself up for it.

- **Be curious**

When things get difficult, the tendency is to look inwards, keep our heads down and stop looking at new opportunities. This means we miss opportunities for growth, potential solutions to challenges we are facing, and maybe even a whole new direction for the business. Maintaining a curiosity about new things, new ideas, skills training, technology and more can help a business look out rather than inwards during a difficult time.

- **Collaborate**

Not everything needs to be inside the business; not everything needs to be fully owned. Let's discuss this further...



Collaboration between businesses, a sense of a shared success and a shared goal to solve major problems, was a powerful trend during the pandemic. Businesses felt the needs of the community much more and stepped up to be part of the solution to those needs. This sense of collaboration is critical to very small businesses who simply may not have the resources, skills or time internally to solve big problems on their own.

In practice, this can look like networking; it can look like mentoring; it can be commercial partnerships; or it can simply be sharing ideas and expertise with your small business peers. Focusing more on a shared goal and less on commercial needs or concerns about who owns what has been demonstrated to deliver considerable results to small businesses.

We see this a lot in social enterprise and approaches to reducing carbon emissions, but it can, and is, being applied to all areas of the business. Small businesses are stronger when they work together and an approach to business that bakes in a sense of community and collaboration, not as CSR, or as a not for profit, or as a mission, but as part of the business strategy can open up huge opportunity and potentially growth.

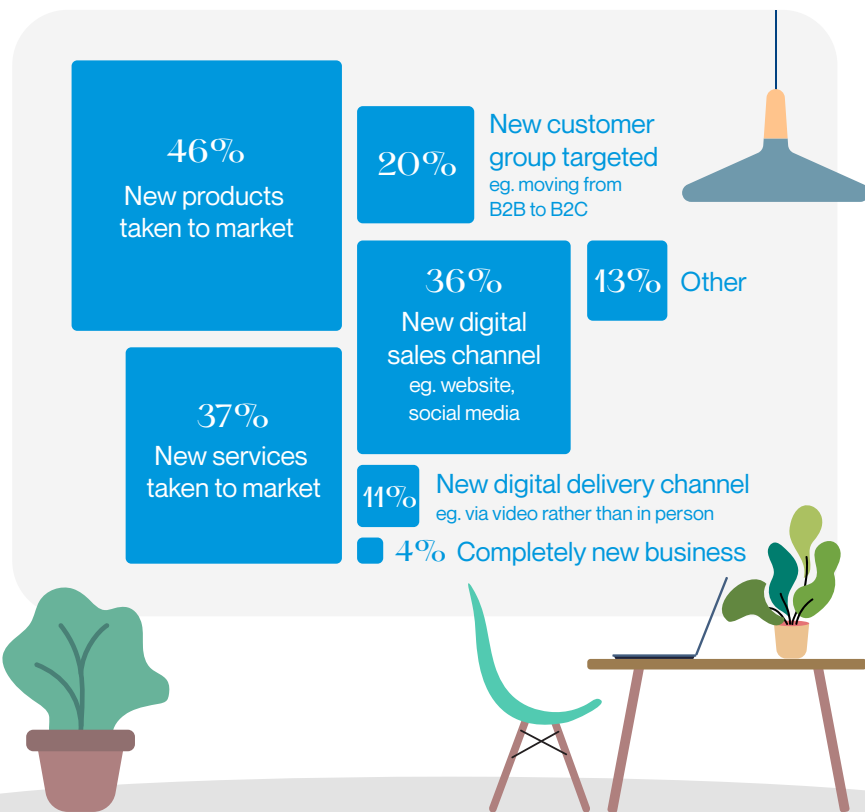
For those starting a business in these turbulent times, they are arguably ideally positioned for future success. Adopting approaches of agility, embracing failure, embracing curiosity and collaboration right from the start can lead to much more resilient businesses overall.

We need to stop businesses searching for, aiming at and building strategies based on a stable economic and social setting. We need to accept that just is not going to be the case for some time. We therefore need to build businesses that are tooled up for the challenges this turbulence brings. It might be a bumpy ride, but businesses can succeed, thrive and grow even with this as the backdrop. In fact, for many it will be the making of them.



“We have had two tough crises and this is simply just another one. You go to what you know, reduce the risk, and don’t take on serious costs.”

**Lamia Walker**  
HouseSit Match



How small businesses have adapted in the last year

## Actions to Grow



- 1 **Accept instability** – do not wait for a better time to make a plan and do new things. It is not coming.

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- 2 **Practice failing fast** – start small and give things a go.

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- 3 **Be curious and keep looking for new opportunities** – even when you may not feel like it.

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- 4 **Collaborate wherever possible** – building a community now, even before you need it, will stand you in good stead later.

# Getting paid and pressing on



If you have borrowed money to support the business how have you spent the finance?



As a small business, there is nothing more important than getting cash in the door. The old adage cash is king is there for a reason: small businesses, generally, do not have the access to finance to cover bills if they are waiting for cash to come in. Small businesses generally do not have long payment terms with their supplier and often their main costs, such as salaries, have to be paid on a set schedule. Without cash, small businesses simply cannot operate.

So, getting paid, and having the freedom and flexibility to plan and invest and grow that comes with it is critical to small businesses moving forward with confidence. For many, delayed payments can actually become existential, with late payments being a major small business killer.

When the economy tightens and many businesses are feeling the pinch, this inevitably gets worse as businesses start to apply the brakes to spending and to protect their own cashflow. This domino effect can be disastrous for small businesses.

TSB, Revenu by Bankifi and Small Business Britain have been working on this in 2022 and although there are no guarantees to getting paid, there are many things that small businesses can do to maximise their chances of being on the end of good payment practices. Making a plan, making the most of technology, communicating well and of course looking at a range of routes to market with different payment processes all help to mitigate the risk of running out of cash.

Getting the process right up front is a major part of successful payments. Communicating with customers about payment processes, what your expectations are and understanding exactly what their steps are, and who to speak to, can make a significant difference in days, weeks or even months of getting paid.

Technology can play a big role too. The systematic tracking of invoices and automated chasing of payments can take a burden off the busy small business owner, as well as ensure that you are chasing for payment on day 1 rather than getting further and further behind. All major online accounting software solutions offer this as well as freemium digital services. Just a few steps of automation can significantly shorten payment windows.

A big focus should always be clear communication with customers and it can help not just with the payment speed, but the confidence with which the small business approaches the process. Having confidence around when money is going to arrive is critical to be able to plan and grow.

This is an area that can cause huge stress, and significant mental health challenges, for the business, so the whole business ecosystem has an obligation to work on this collectively to reduce its negative impact. Good practices from the largest of firms, from government and from industry leaders can make a big difference, even in a recession. Many organisations changed their processes during the pandemic to pay faster, recognising the challenges small businesses were facing. This needs to be built on now with the recognition that there is often no good reason to hold off payments and that big businesses should not use small businesses as a means of managing their treasury function.

In all situations, small businesses can contact the Small Business Commissioner for support and guidance. There is a lot of help available and even the opportunity for the Commissioner to intervene if you are facing considerable difficulties.

Finally, do consider your range of routes to market. One single business model that relies on one single way of being paid can leave the business exposed, particularly if there is a small number of clients making the payments. Thinking about business model agility, flexing for different markets or customers, or restructuring products and services can all give you opportunities to get paid in a different way.

Taking online card payments, having more small payments or even clients on regular payment retainers, can all contribute to a more varied schedule that can give you cash injections if one route to market is being slow.

It is always worth looking again at your business model and how the business operates to bring in income. Innovation in business model can lead to great growth opportunities, and a reliable stream of cash coming in can allow you to plan and innovate.

Let's get you paid, and let's get you pressing on.



“To protect the future business, I look at the core work that I do which is 1-2-1. At the same time I am working to diversify our services by offering coaching by text using a platform in collaboration with a social enterprise and we are looking for funding for this. The income from that would enable us to offer a coaching service to organisations supporting clients who cannot afford it normally.”

**Harriet Dodd**  
TopHat Coaching



## Actions to Grow

- 1** **Get the process right from the start:** before agreeing a sale, check what the process is and what needs to be done
- 2** **Track and chase invoices systematically** – digital accounting tools can do this for you.
- 3** **Have clear communication with the customer all the way through.** Be clear about when you expect to be paid. Be clear about what will happen if you are not.
- 4** **Check out the Small Business Commissioner for tips and guidance** and if you are having trouble, get in touch with the helpline 0121 695 7770

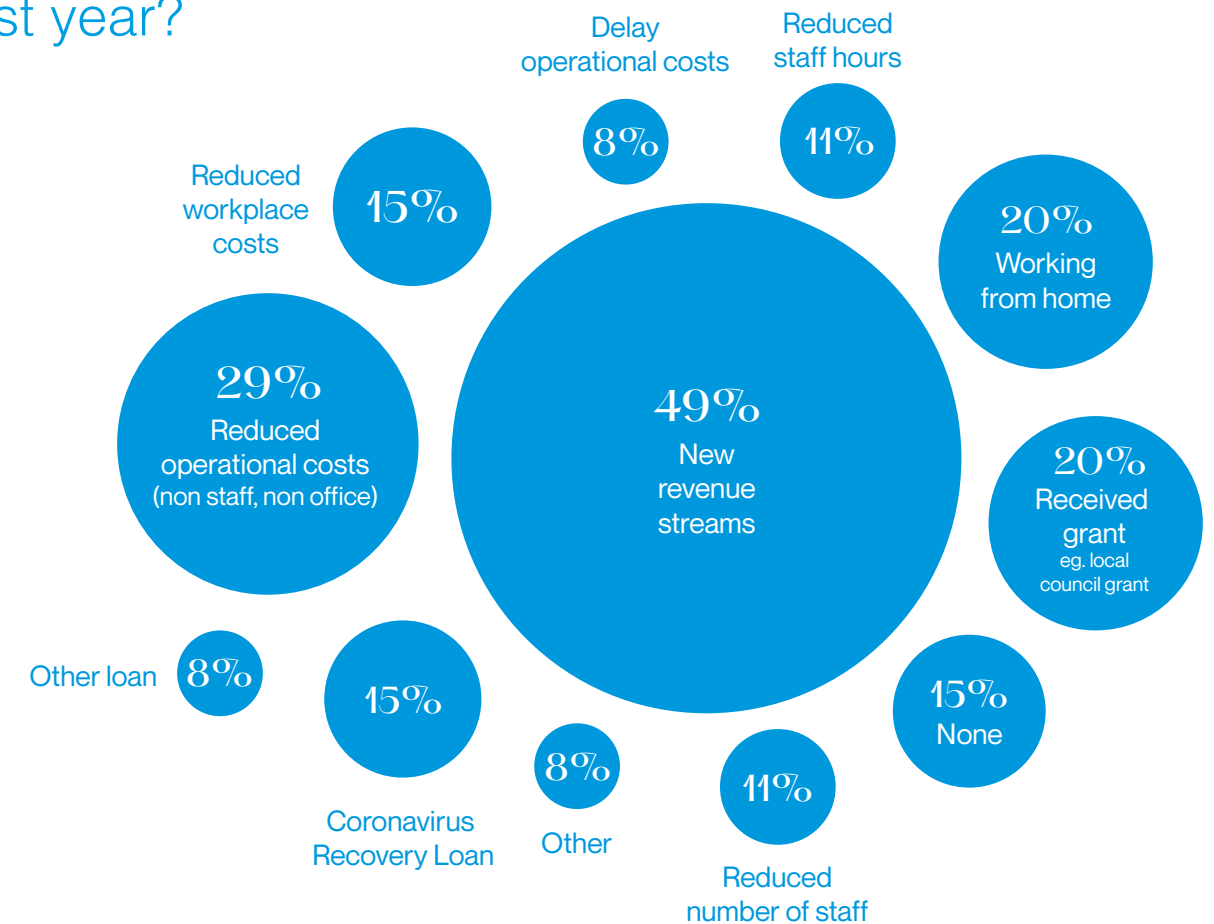


# New Revenue Streams

New products, new services, innovation at firm level



What measures have you taken to support your business financially over the last year?



The UK is still the sixth largest economy in the world. Despite COVID, war in Ukraine, cost of living crisis, energy crisis and recession, there is still a huge and thriving economy at home, and opportunity to be had for the entrepreneurial of spirit.

The sense that all customers and markets are disappearing because we are in a recession is largely driven by news coverage and a fear of what might happen in the future rather than the reality of the economy. The decline in GDP in the quarter ending September 2022 was 0.2% - a very small decline - so the idea that all sales are disappearing entirely is just not true. Looked at as a whole, the economy is essentially the same size as it was the last quarter. And that is an encouraging thought.

This is of course a high-level picture, the economy as a whole rather than individual sectors. For certain, some sectors will suffer more than others in a downturn. But in order to stand still while some areas decline, others must therefore logically be growing. There is always opportunity to be had, even in a "recession", and businesses need to focus on finding it.

What we do see, which is a difficult challenge to navigate, is that customer behaviour changes in a downturn. Customers might shop less frequently for some things than others and business customers might be more cautious with their contracts yet invest in areas that feel "safer" to them. Understanding changing customer behaviour is key to continuing to serve those customers or shift to other customers that are keen to spend, invest or grow.



“My advice to small businesses right now is to ask themselves, how do you keep yourself going at a purely human level? How are you helping your wellbeing? You will perform better, even with the backdrop of a recession, if you take small steps to look after yourself.

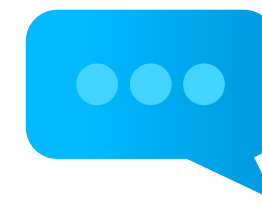
If you think about yourself as the centre of a circle, what do the people around you need? What gets them up in the morning? There are always rays of light that can keep people going, someone might just need a hug! I have seen examples of things like fish and chips Friday, picking a movie to all watch and then come back together to discuss; these things remind us that we are all human and connect with each other.

If you are fit and well, you can better think about cash flow and things to cut; you will have more energy for experimentation and innovation. It can give you the space to step back and reflect on what it is that you do and how else you might do it. Ask yourself, are you giving yourself license to pivot and experiment? This really speaks to the growth mindset – giving yourself the opportunity to find out what you need to change and the energy to change it.

Your mindset needs to be about self-care, curiosity, experimentation, being caring about those around you – and keep being marvellous, wonderful you.”



**Professor Kerensa Jennings**  
Group Director, BT



# start talking to customers

Money, and trade, is still circulating in the economy and if you can work out where it is there is growth to be had. For a small business, if you can be agile enough to adapt to this changing landscape, there is huge opportunity to have. There will be big businesses that do not adapt as fast because of slow decision-making processes, or cannot change due to perceived issues of brand, positioning or even entrenched supply chains. Small businesses have therefore a competitive advantage. Gaps will be created for small businesses to jump into.

Being close to your customer, which is a key area small businesses have an advantage, will be critical to this. Understanding fast how their needs are changing is the best way to know how to adapt your own product, sales or service. Start talking to customers – do this in any way you can. If you have a newsletter, ask them questions through that; if you engage more on social, reach out and with a question or survey or try some new things; if you are face to face then have a chat, grab a coffee, and be open to what you may hear.

The biggest thing small businesses have done to manage the recent and current economic turmoil is add on new revenue streams. A huge 50% of businesses have responded in this way. When you can feel a little powerless in the face of rising costs, energy companies or global trends, focusing on the things you can manage is very empowering. 54% of small businesses plan on adding on further new revenue streams in the next six months, an encouraging trend for maximising opportunities. If you are in the 50% of small businesses that has not yet looked at broadening horizons on revenue, now is absolutely the time to do it. With a bit of help from your customer.

When thinking about what new things to try, now is the time to investigate. Not everything will work but being brave and giving things a go will absolutely pay off. 46% of businesses have brought in new products or product ranges in the last six months.

When thinking about your market, can you do a budget range to cater for customers tightening their belts? Can you do a premium range? It is not just about reducing cost. Customers at the affluent end of the market are still spending and we have seen from previous downturns that customers at the top end of the market can often be more recession proof. So, can you VIP your services? Before you drop your prices, can you perhaps put them up?

It is not just about the core product or service however. Can you switch channels to reach more customers? There may be new platforms emerging or changing in popularity (Linkedin over Twitter....) that can offer new opportunity for you and your business.

37% of businesses have added on new digital sales channels in the last year – that is over a third of all small businesses. Can you sell on growth platforms such as Facebook or Instagram? Over 22% of businesses have started selling on Facebook in the last year. Perhaps new platforms such as eBay – 11% have started selling on eBay in the last year – may offer rapid, responsive, opportunities to reach new customers that can even work for you overseas and while you sleep. Big technology platforms can help with reach, they can help with data, and they can give you ideas and inspiration that you can bring back into the business and use on other channels too.

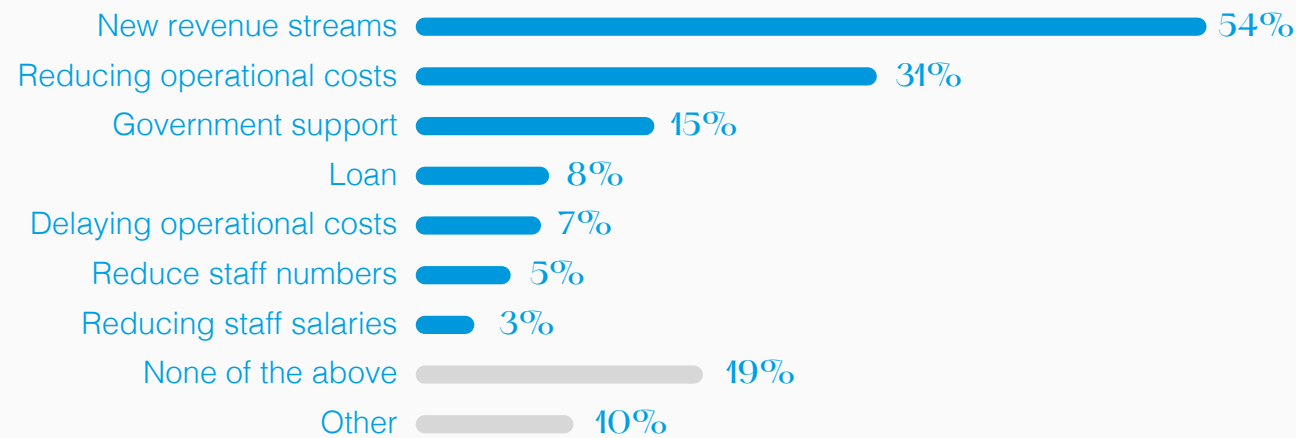
Having an openness to change and a willingness to give things a go will open up opportunities even in a flat or declining economy. Even if you have tried these things before, now is absolutely the time to try them again. One new sale, one new customer, one new idea even can give you the confidence boost to try more, and that will lead to an upward spiral rather than downward. That can lead to growth, even in a recession.



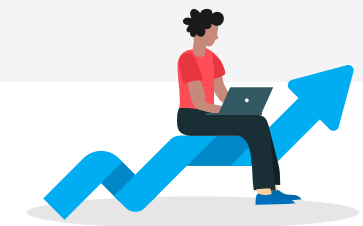
“I self published a book about imposter syndrome and priced it for the price of a drink – the whole idea of diversification. I’ve already had three gigs off the back of it.”

**Adrian Ashton**  
Adrian Ashton (Enterprise Consultant)

## What measures do you anticipate needing to take to support your business financially over the next 6 months?



## Actions to Grow



- 1** **Speak to your customers now:** how is their behaviour changing and how can you adapt?
- 2** **Look at adding on new revenue streams:** what else can you sell? Where else can you sell it?
- 3** **Look at putting prices up as well as down –** the top of the market tends to do well in a recession as well as the bottom
- 4** **Investigate new platforms to sell on:** can you sell products or services on Facebook, Instagram? Maybe eBay?

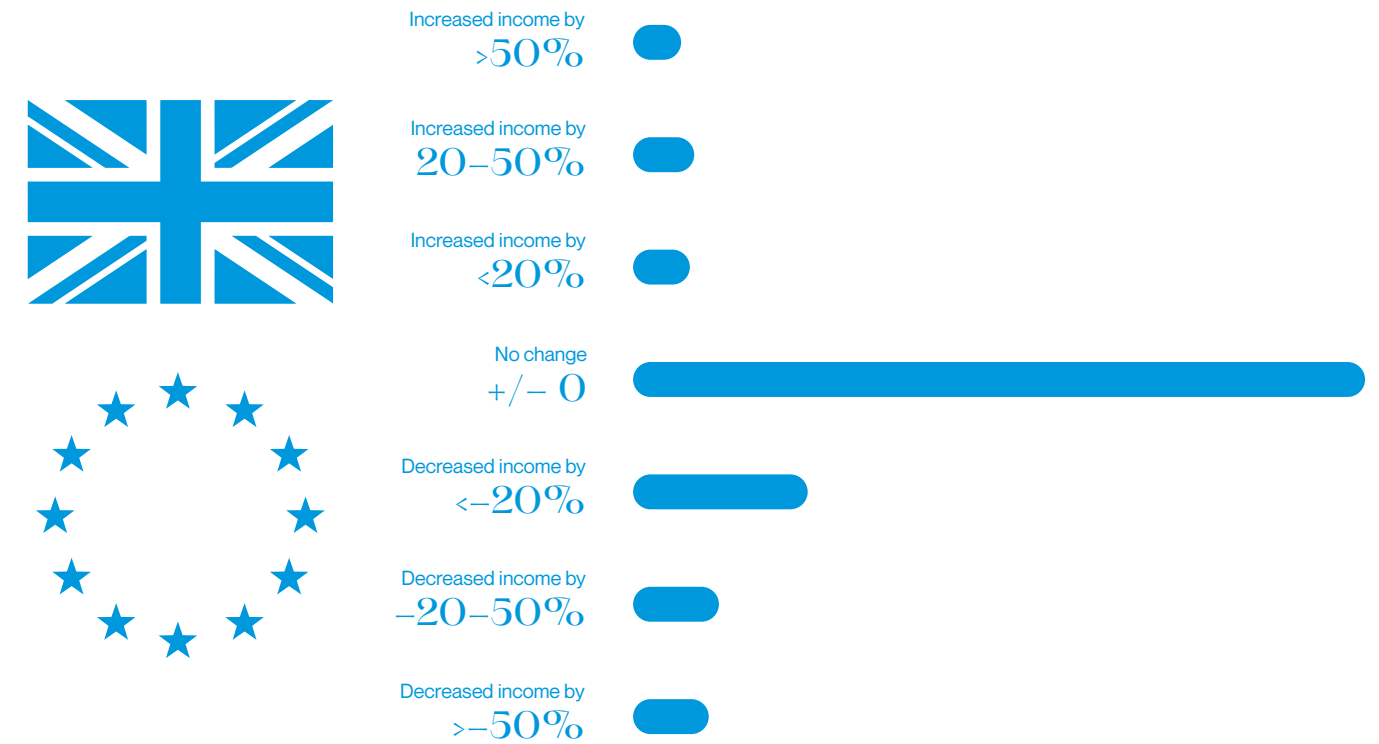


# Export Opportunity

## Not just about the EU



### How has Brexit impacted your business financially?



Businesses looking for growth options for 2023 could do worse than starting to look at export, if they have not done so before. In fact, even if they have done, or maybe stopped exporting due to Brexit, or not found a good export plan in the past, now is definitely the time to reassess.

Businesses that export are more likely to report feeling confident, optimistic and be open to new opportunities. Having more than one market to target will give the business options, and when home markets are flat, still offering opportunity but perhaps less growth, the obvious thing should be to look further afield.

Export has to be at the top of small business to do lists for 2023, and being creative about how that export happens will be key to making the most of the opportunity.

For some businesses, the thing holding them back will be complexity of delivery. For some, it will be finding customers. Others will say their product or service is inherently local and cannot be exported. Small businesses have overcome all of these hurdles over the pandemic, demonstrating that with some creativity almost all businesses can export.

“People are still spending. One thing we see, and during COVID too, is the concept of small luxuries. Not a fortnight holiday, but a weekend away; not a new car, but more fancy soaps. If businesses can rethink a little, make products and services appropriately priced, remove all pain and barriers from the customer, they can still be successful. Lots of sectors are still growing, it is just about finding them. In general, the simplest, fastest approaches are the ones that are going to work.

Businesses need to fail fast, just like they did in COVID. In fact, there are lots of lessons from COVID that are relevant now. Not all countries are slowing down like we are and there is still opportunity from export too, There is growth available and we need to move towards a more positive conversation around entrepreneurship. I believe that entrepreneurship and innovation will see us through, and will indeed solve the major challenges facing the world today.”



**Matt Smith**  
Director of Policy & Research,  
Global Entrepreneurship Network

# We have seen incredible creativity from small businesses

Starting with delivery, there are without doubt some challenges with shipping into and out of EU countries, and paperwork required for many global markets. However, not only is there a huge amount of support available (particularly from the Department for International Trade), there are local grant schemes available to help you get going with export. Check out your local enterprise partnership for what is available in your area.

The next key step to take is to speak to other businesses like yourself. Having a strong network and community once more becomes critical and small businesses report the biggest factor in getting over export hurdles was hearing from other businesses how they did it.

This can help too with sales, learning from other businesses, but there is huge opportunity too by piggy backing off other platforms. Many small businesses start exporting almost accidentally via platforms such as eBay or Amazon and then start to actively target in these markets. Building networks with local chambers of commerce in Europe or networks of likely customers in the US on LinkedIn can all yield helpful steps forward.

With an inherently local product – such as a high street café or restaurant – we have seen incredible creativity from small businesses over the pandemic which can be brought back now to play a role again. Businesses that pivoted to home delivery, hampers, new products and online guides can all look at exporting these too. The appetite for British abroad remains strong, and bringing some of that local high street flavour to international markets can prove to be a lucrative strategy.

Although over 20% of small businesses have seen their sales decline due to Brexit, and over half of small businesses that used to export to the EU have now stopped, that does not mean that export is an avenue off the table entirely. There is still opportunity in the EU, and if red tape, hurdles, time delays and paperwork can be reduced, there can still be a return to a strong EU market for small business goods and services. Small businesses desperately want this, and for many it would bring the growth they so sorely need.



In the short term however, speaking to other businesses about how they managed the EU border controls, paperwork and communications with customers can bring the hope and inspiration you might need to get started again. As with everything, community and peer support will play a huge role in the step change in export that the UK small business sector needs.

Small businesses looking for new markets during the pandemic reported finding great opportunities overseas, if you can find the right way to approach them. Export to the US – both for product and services – is a positive option for small businesses, and more attractive with the exchange rate very favourable to US customers.

“Growing a niche food product during an economic downturn can be challenging, as consumers may be more cautious with their spending and less likely to try new or specialty items. This is what led us to exploring export markets.

Exporting can open up new markets for a business because it allows the business to sell its products or services in countries outside of its domestic market. This can also be beneficial for businesses that have reached a saturation point in their domestic market and are looking for new opportunities for growth. By exporting, businesses can tap into new customer bases and potentially increase their revenue. Additionally, exporting can also allow a business to diversify its customer base and reduce its reliance on any single market. This can provide stability and mitigate risk for the business.

Overall, exporting can be a valuable strategy for businesses looking to expand and grow their operations. We have entered the Middle East market and talks are at an advanced stage with India. The government’s recent announcement on the trade deal between the UK and South Korea also presents great opportunities for our products. The Department for International Trade offers free advice on how to explore export markets and run several trade missions every year across the globe.”

**Delight Mapasure**  
Managing Director, K’S WORS Ltd

Finding a way to reach and engage customers without expensive travel overseas and learning from others experience of overcoming any border issues and paperwork, can be a source of strong peer advice on how to approach the opportunity. Most small businesses are not going to get on a plane to export, but this does not mean they cannot access markets. The pandemic showed us how much can be done through video call and online.

Once more, we should remember the good lessons we learnt from that period and apply them with confidence and optimism to export. There is growth to be had over there too.



“My business has really grown through my clients in America and the shift to that began in 2019. 90% of my clients are in America now.”

**Louise Brogan**  
Louise Brogan Ltd.  
(LinkedIn Consultant and Trainer)

## Actions to Grow



**1** Check out support available from the Department of International Trade, including Trade Missions to meet potential customers.

**2** Talk to other businesses about their experience with export and see how they have overcome challenges and found opportunities.

**3** Look at International platforms that can help you sell overseas without leaving your desk, such as Amazon, eBay, even LinkedIn.

**4** Get creative: can your business create a product or service that works for export? Get inspired by other businesses in your network.

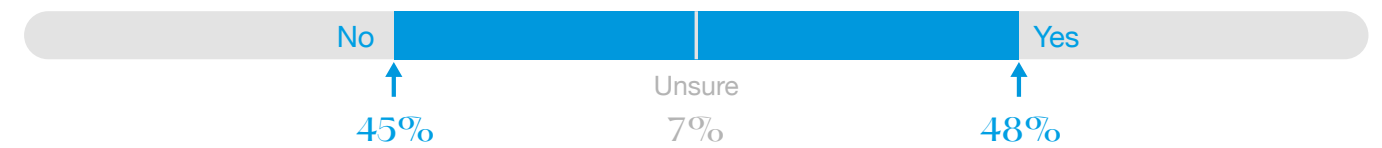
# 6

## Little Tech and Innovation

Micro tech, freemium, incremental changes



Have you increased your / your staff's digital skills in the last year?



Through the pandemic years, we saw a remarkable digital transformation in small businesses, and we have written much about that in previous reports in this series. Businesses gave things a go, took little risks (some took big risks!), failed fast, tried again and in the main found that digital technology and skills gave them opportunity and optimism.

However, as we have moved back to “normal” in 2022, and economic pressures have started to bite, this transformation has slowed down for many, and for some actually gone backwards. That sense of nothing to lose and everything to gain that drove many businesses to try new things has been replaced with a head down focus on just getting the job done and keeping going. This is unlikely to drive growth, so the question is now, can we bring back the good digital practices of the pandemic? Can we learn the positive lessons for the future?

Although nearly half of businesses have increased their digital skills, and a third brought new technology into the business, there is still huge scope for businesses to engage in digital, and for further opportunity for those already engaged. The other side of this data is that over half of businesses have not addressed their digital skills this year and two thirds have not brought in new technology. In an economy where we need every opportunity possible, there is scope here to make a big difference.

With costs at a record high and a strong focus on sales and new revenue streams, it can be easy to neglect ongoing digital opportunity development as businesses adopt an entrenched, bunker mentality to weather the storm. This is demonstrably the opposite of what businesses should do in a crisis.

We need to see the pandemic not as an exception to digital skills progress, but a moment of step-change to a way of doing business that puts digital at its core, regardless of economic or social challenges. There is every chance that the “storm” is going to last a while, is in fact the “new normal”, so we need to adapt businesses to operate accordingly.



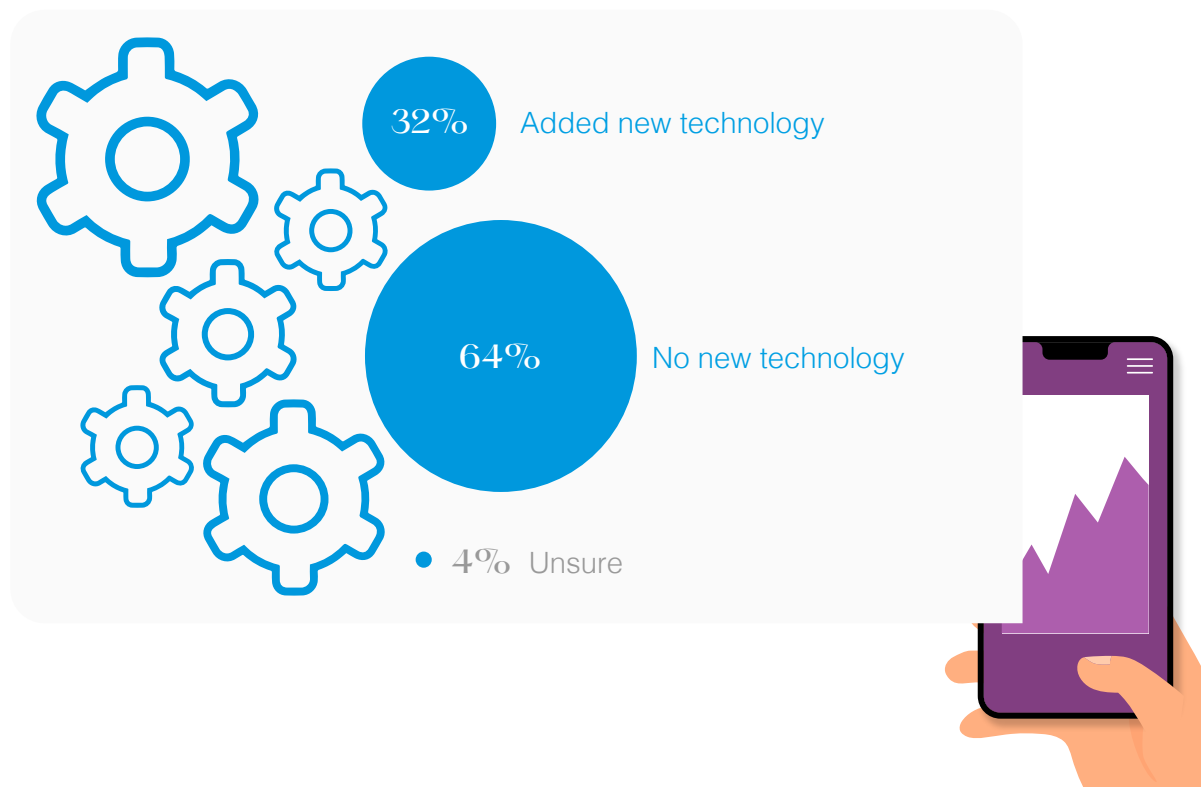
Businesses that have continued to innovate business practices are demonstrably more optimistic about their future than those who have not. Having a change mentality, being open to doing things different and looking at small ways to improve constantly, can add up to big impacts over time. This can be as simple as tracking click rates on marketing emails to understand what messaging translates into sales to tweak activity accordingly; it can be as simple as trying a new third party sales platform to increase your routes to market; or it could be a bit more intensive, such as installing an integrated EPOS that tracks stock online and in store to allow for really responsive promotions and complete visibility of the business performance.

What these new things look like will be different business by business. Small businesses have shared stories of developing new digital products for international markets as a way of exporting without having to send items through tricky delivery routes. For example, a knitting business that designed online classes and downloadable fact sheets and found local suppliers in counties to provide the actual yarn completely changed their growth trajectory by creating a model that was scalable and could work in multiple markets. This is firm level innovation, but also can give inspiration to other businesses that are looking for ways to expand and grow and export.

New skills were required in video streaming, recording, storage and delivery; new skills were also required in creating a paid for download function rather than a traditional product sales website. But these do not have to be complicated and they are readily available for micro businesses to access. When many businesses start to think creatively like this, this firm level innovation becomes market wide innovation – a change to how businesses think and work. This is what we need to continue to grow in 2023.

Small businesses demonstrate constantly that there are big steps forward to be made through small changes; trying new technology to reach new customers; trying new platforms to sell to different audiences; automating processes that can continue working while you sleep to give you an extra edge; all these small steps forward can make a big difference over time with a consistent approach to keeping trying new things.

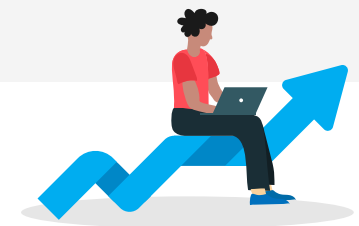
Building a business strategy (and many small, particularly micro, businesses do not yet have a strategy at all) that not only allows for but encourages new ways of thinking and working will inevitably open up new opportunities. It might not be immediate, and it might take a few goes before it comes to fruition, but by continuing to fail fast, to get inspiration from others and to focus on the upside, businesses can use digital technology to grow in 2023 and beyond.



“We’ve done a lot of automation of sales processes and are using a CRM. We’re maximising the use of our EPOS system and have also embraced the cyber security side things. It’s a never ending process, we want to kind of be the Amazon of enquiries and be mega responsive”

**Celia Gaze**  
The Wellbeing Farm

## Actions to Grow



- 1 **Look at free digital skills training and support** such as BT Skills for Tomorrow or Digital Boost.

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- 2 **Shift your mentality to give small innovations a go** – and notice how you become more positive as a result.

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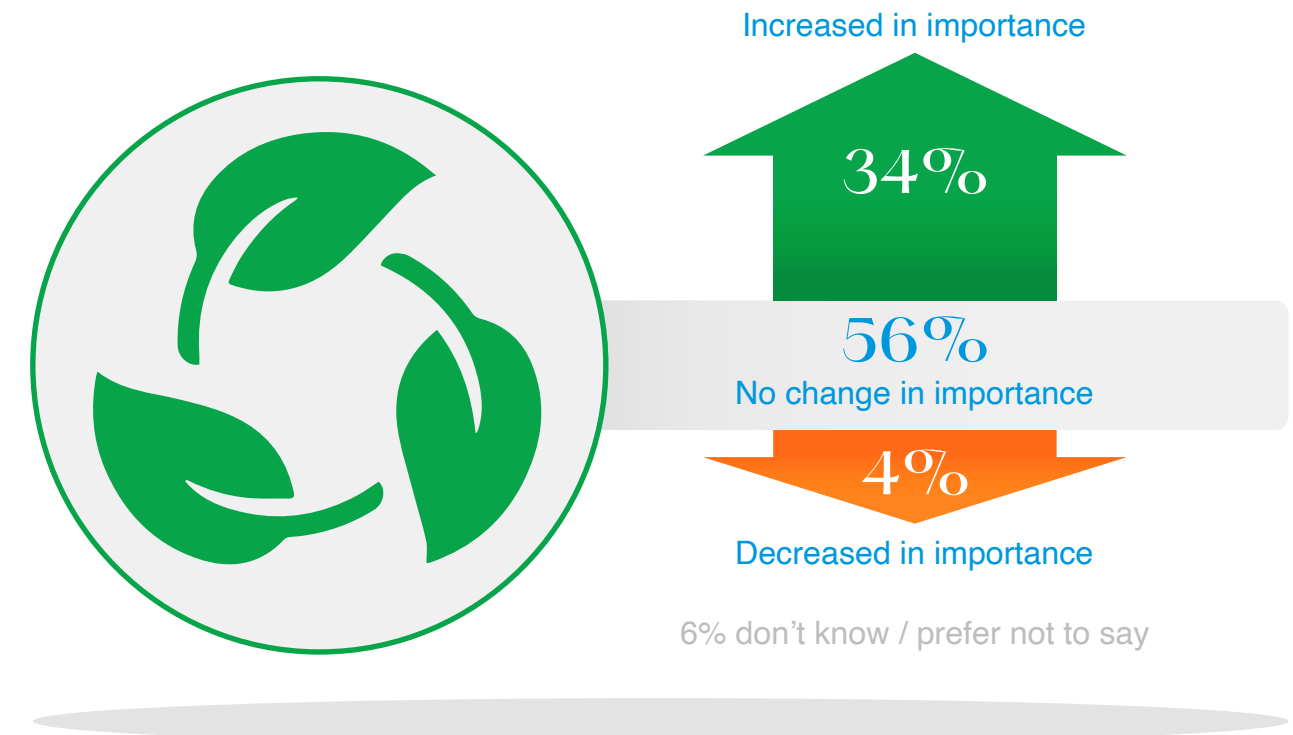
- 3 **Have a go at automation** – what can you do better or quicker or easier?

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- 4 **Share your changes and innovations with other businesses to inspire them to give things a go** – optimism is contagious.

# Sustainability As An Opportunity

## Small businesses' approach to sustainability over the past year



The biggest topic for all businesses for the next decade, whether they are ready for it or not, will be sustainability. The size and significance of the changes required to how we do business in order to fundamentally impact climate change are so huge that it will be impossible to ignore. Small businesses, according to the British Business Bank, are responsible for around 50% of all UK business emissions, so it will be an essential conversation and part of every business strategy going forward.

Whether businesses want to – and 80% say they do – or not, they will be moved to sustainable business practices by customer demand, either consumer pressure, or by business customers requiring some kind of sustainability commitment in order to agree work. 35% of small businesses say they have made changes to become more sustainable in the last year, but this lags behind those that believe it to be important. There is clearly a lot of potential to be had in taking a lead in sustainability as a small business, and a lot of early mover advantage to embrace.

How does this then fit with a society facing huge financial pressures? Small Business Britain knows from its work on Sustainability Basics with Oxford Brookes Business School that small businesses are already engaging with sustainability, albeit not always in a strategic way. These grassroots activities, in communities and in often micro businesses across the country have the potential to collectively make a huge difference to society.

What is also clear from the research is that a sustainability goal does not work against a financial goal for the business. In fact, they work together. Focusing on sustainability is not an additional burden during a downturn, it is a key tool in combatting that downturn for your business.



At its core, sustainability is about reductions: reducing usage, reducing waste, reducing impact. Small businesses can do this and save costs for the business by cutting energy, packaging, travel and more. The two go hand in hand for a good outcome. Many small businesses (47%) are held back from making changes as there is a fear it will cost money, with 32% concerned about the time it will take. This is not born out in the experience of founders that have started to shift to better sustainability. They report lowering not increasing costs, reduced waste and time, and a side effect of increased staff satisfaction as they engage with the business's values better.

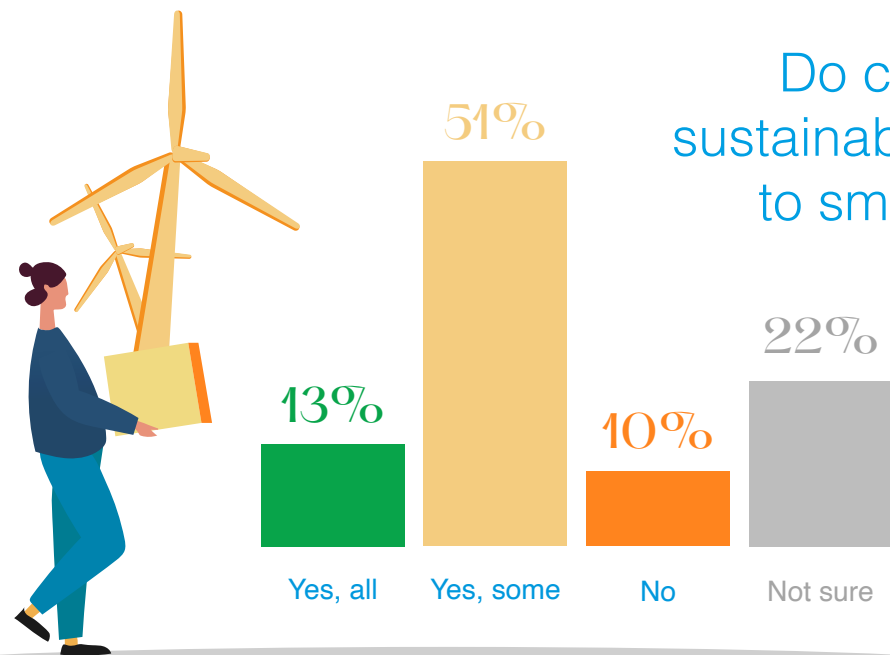
Businesses also report community connections – peer support, networking and similar – as key to developing sustainability progress in the business. Learning from things other businesses have put into place, finding new supply chains and even knowing the right questions to ask can all be helped with a good network of other small businesses giving thought to sustainability. Initiatives like Green Street for retailers bring together communities of businesses to share ideas and work out solutions collectively. More than any other area of business, this is an area where the answers do not all exist yet, so solving them collectively helps.

But it is not just about reductions however, it is also about adding to the business. When small businesses are looking for those additional sales to make ends meet, a key focus has to be engaging your current, or potentially new, customer. 65% of small businesses say their customers value sustainability, with a further 20% not sure. In time, this number will rise. Increasingly, customers (business and consumer) look for organisations to buy off that share their values. Increasingly, those values are led by sustainability.

A small business can make significant progress by not only focusing on its sustainability progress (moving forwards not necessarily reaching a specific goal, which can be a challenge), but by sharing that progress with its customers. Business customers will welcome that as a contribution to their own wider impact as part of their required reporting of scope 3 emissions; consumers will welcome that as a part of a growing trend to have less impact on the planet.

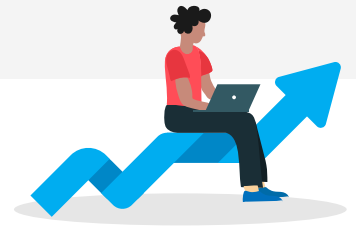
As large businesses struggle to articulate their progress, and have a much bigger operation to turn around, there is still an early mover advantage for small businesses that can move with agility and make changes, and share changes, fast. Putting sustainability front and centre of a small business in 2023 will be a strong strategy for both the planet and the founder. A win win.

### Do customers value sustainability, according to small businesses?



“Sustainability is not a stand alone decision. I have stopped using as much plastic as I can and it also saves me money. I use glass bowls and I’m not spending on throwaway items. Now I’m almost 100% plastic free. At some point I will switch to an E-Bike for deliveries. It is a money saving decision more than anything.”

**Raanan Malkin**  
R&M Fine Chocolate



## Actions to Grow

- 1** Have a think about where your business can make small changes, reduce energy, change supplier.
- 2** Speak to other businesses in your network about how they are being sustainable and get ideas for easy actions.
- 3** Tell your customers about all the actions you are taking.
- 4** Sign up to free courses like Small Business Britain’s Business For Good: Green Skills for Small Business to get lots of help and advice at a time that works around your business.

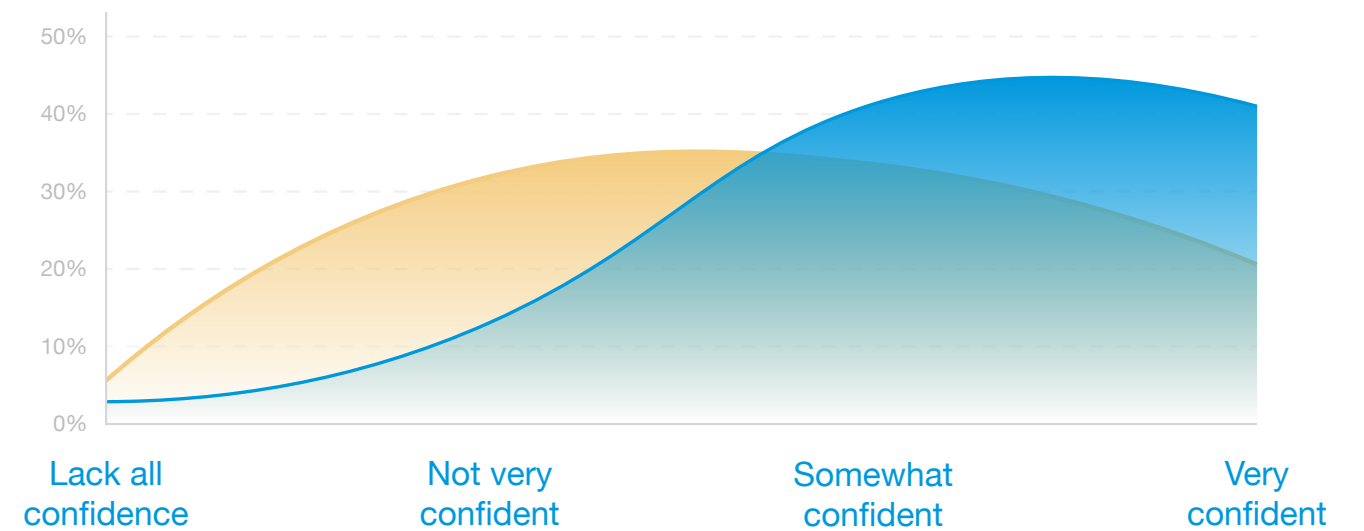


“The importance of understanding the protection and growth of the owner is protection and growth of the business. Working on the leader’s mindset is always an investment and never an expense.”

**Yinka Ewuola**  
Calla Success Systems Ltd

# What's Next?

— How confident are you that your business will **survive** the next 12 months?  
— How confident are you that your business will **grow** in the next 12 months?



What has become clear over the last few years is that a business cannot simply make a strategy at the start of the year, follow some good advice, and execute it for the next twelve months. Covid, Brexit, Omicron, war in Ukraine, global energy crisis and more have shown us that even the best laid plans can mean nothing if the rug is pulled from under you.

What is required going forwards is a more flexible approach to strategy setting; businesses need to be less tied to a plan and more willing to change direction if necessary – what we have talked about before as a Growth Mindset will help with this.

Being fixed to a plan early on in the year will likely bring stress and fear when that plan is upset, as it most likely will be as we continue in a world of economic instability.

Creating a framework for a plan instead, allowing for failing, allowing for innovation, and open to change will give businesses the opportunity to move forward when things change, and even celebrate failures as well as successes.

Get support in this journey with a mentor, a strong set of peer support through communities like Small Business Britain, and stay in touch with help and advice on an ongoing basis.

There is no one single answer to business challenges, but there is strength in trying to solve those challenges collectively. Make 2023 the year you commit to flexibility and collaboration, and give yourself and your business the best chance of success.

# And Finally...

Let us know how you get on with your recovery. There is so much goodwill towards small businesses in communities across the UK, and so many people who want you to succeed. Take heart from that, take the support offered and available freely, and move forward with optimism and confidence.

Good things lie ahead.

# Stay In Touch

Stay in touch with Small Business Britain for more insight, advice, support and training.

Join in for free. Make sure you are on the Small Business Britain mailing list to be the first to hear about what is going on. And follow Small Business Britain on social media.

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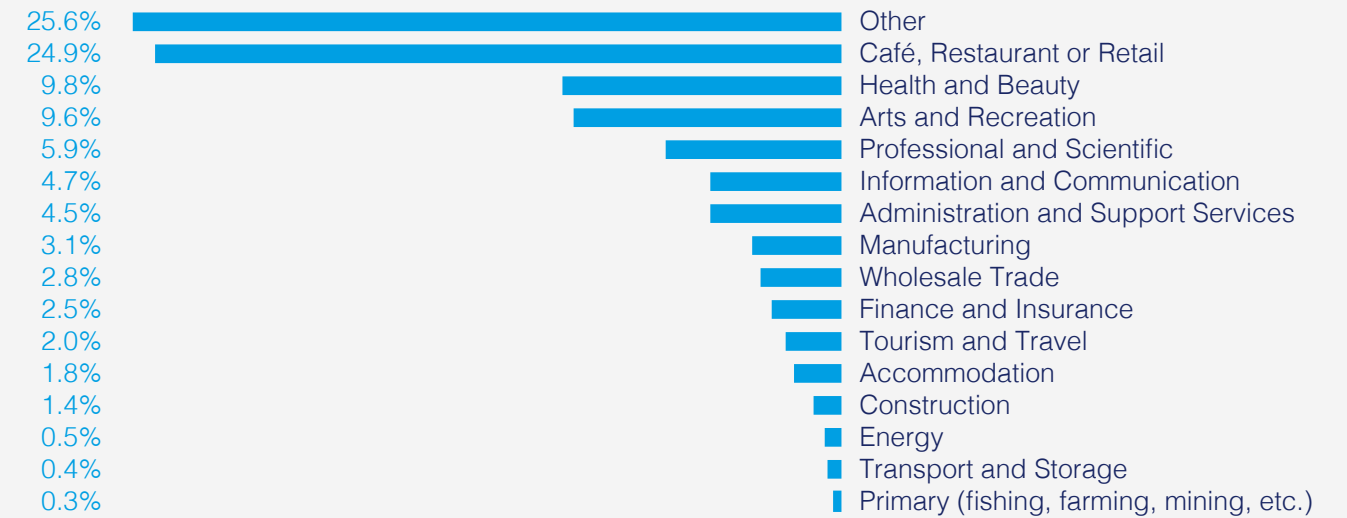
[smallbusinessbritain.uk](http://smallbusinessbritain.uk)



# Methodology

Small Business Britain surveyed 1002 small businesses from across the UK. A further 45 small businesses were interviewed in depth along with experts in entrepreneurship. A breakdown of the small businesses surveyed is as follows:

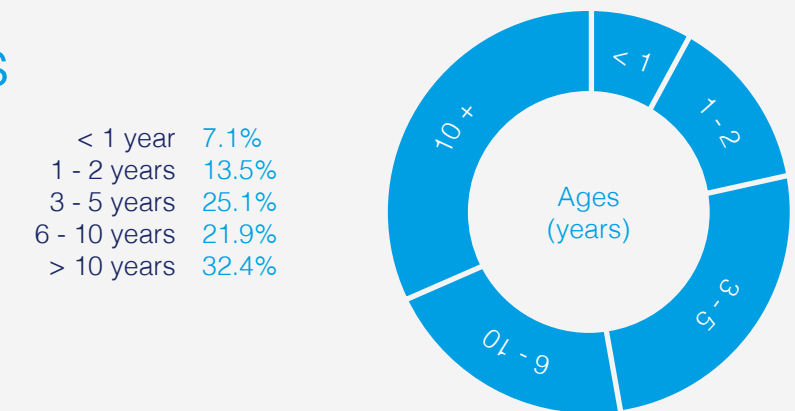
## Sectors of Small Businesses



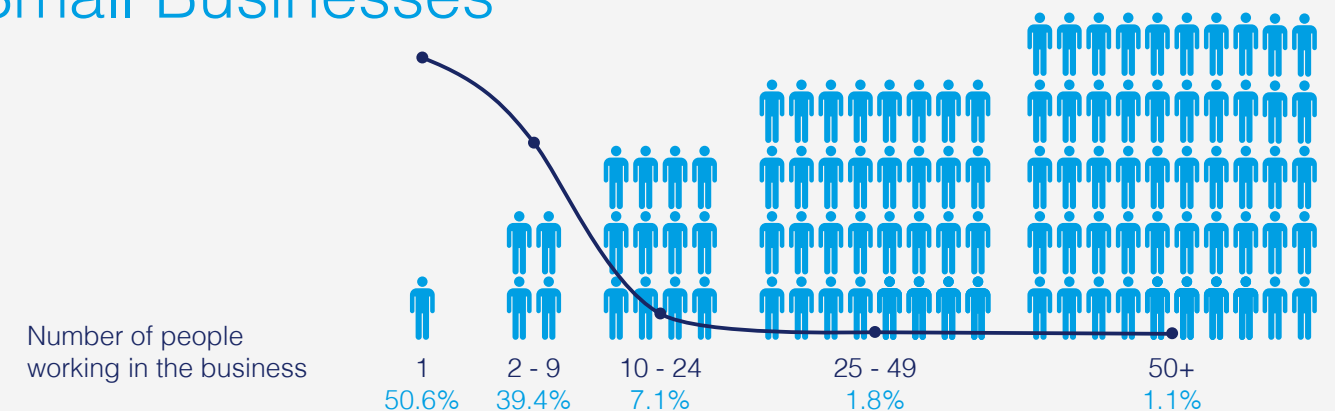
## Locations of Small Businesses



## Ages of Small Businesses



## Sizes of Small Businesses







If you would like to know more about this research, or would like to get involved with future reports, please do get in touch. You can reach us at:

[hello@smallbusinessbritain.uk](mailto:hello@smallbusinessbritain.uk)

With thanks to TSB for supporting this research





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